



DEPARTMENT OF THE ARMY
LOS ANGELES DISTRICT, CORPS OF ENGINEERS
P.O BOX 532711
LOS ANGELES, CALIFORNIA 90053-2325

October 19, 2001

REPLY TO
ATTENTION OF:

Office of the Chief
Regulatory Branch

William L. Sharrer
Molycorp Inc.
Lanthanide Group
67750 Bailey Road
Mountain Pass, California 92366

Dear Mr. Sharrer:

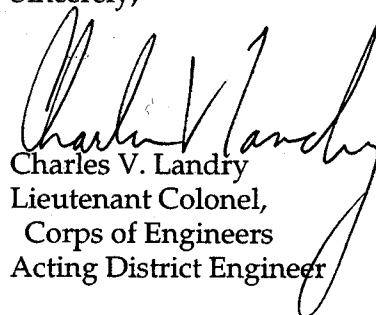
This letter is in response to the Administrative Appeal Decision issued by the South Pacific Division Engineer and dated August 16, 2001, regarding our jurisdiction determination for the Mountain Pass Mine, East Tailings Storage Area. The Administrative Appeal Decision found that your appeal dated May 1, 2001 had merit and directed the Los Angeles District to reconsider our determination for both Ivanpah Lake and the tributary channels in question.

Upon further review of the administrative record and additional site visits conducted by Regulatory Branch staff, we have concluded our original jurisdictional determination of March 30, 2001 was correct. We have specifically examined the issues raised in the Administrative Appeal Decision and found clear evidence supporting our previous determination that was deemed lacking. The enclosed memorandum and supporting attachments detail the results of our field review and analysis in light of current Federal law and Corps of Engineers regulatory policy.

In summary, we have determined that the two areas of dispute that were raised in your appeal were not supported by the physical evidence observed. Namely, that (1) Ivanpah Lake is not an *interstate* water of the United States, and, (2) Wheaton Wash is a not tributary to Ivanpah Lake. In both cases, we have found sufficient evidence to the contrary and in support of our original jurisdictional determination.

As with our previous determination you have the right to resubmit an appeal to our Division Appeals Officer. I am forwarding a copy of this letter with enclosures to Mr. Doug Pomeroy at the South Pacific Division, 333 Market Street, San Francisco, CA 94105, Attention: CESPD-CM-O. If you have any questions, please contact me at (213) 452-3962 or your staff can contact Dr. Mark Sudol of my Regulatory Branch at (213) 452-3406. Please refer to this letter and 200001678-AJS in your reply.

Sincerely,


Charles V. Landry
Lieutenant Colonel,
Corps of Engineers
Acting District Engineer

Enclosure(s)